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**PRELIMINARY DRAFT**  
**No. 3394**

**PREPARED BY**  
**LEGISLATIVE SERVICES AGENCY**  
**2005 GENERAL ASSEMBLY**

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**DIGEST**

**Citations Affected:** IC 25-22.5-11.

**Synopsis:** Physician referrals. Requires a physician to provide certain information to an individual before referring the individual to a health care entity in which the physician has a financial interest.

**Effective:** July 1, 2005.



A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 25-22.5-11 IS ADDED TO THE INDIANA CODE  
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2005]:

4       **Chapter 11. Physician Referral to Certain Health Care Entities**

5       **Sec. 1. As used in this chapter, "financial interest" means an**  
6 **ownership or investment interest through equity, debt, or other**  
7 **means.**

8       **Sec. 2. As used in this chapter, "health care entity" means an**  
9 **organization or a business, other than a physician's office or**  
10 **practice, that provides diagnostic, medical, or surgical, dental**  
11 **treatment, or rehabilitative care.**

12       **Sec. 3. A physician must do the following before referring an**  
13 **individual to a health care entity in which the physician has a**  
14 **direct or an indirect financial interest:**

15           **(1) Disclose to the individual the physician's financial interest**  
16 **in the health care entity.**

17           **(2) Inform the individual that the individual may choose to be**  
18 **referred to another health care entity.**

19       **Sec. 4. Compliance with this chapter is a condition of licensure**  
20 **under this article.**

21       **Sec. 5. This chapter is not intended to conflict with 42 U.S.C.**  
22 **1395nn or 42 U.S.C. 1396b(s).**

